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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**
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11 MICHAEL MANN, doing business as MM
12 BIZ,
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14 vs. Plaintiff,
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16 AFN INVESTMENTS, LTD.,
Defendants.

CASE NO.: 07cv0083-BEN (CAB)
**ORDER DENYING
DEFENDANT'S MOTION TO
DISMISS FOR LACK OF
SUBJECT MATTER
JURISDICTION [Docket No. 11]**

17 Plaintiff Michael Mann ("Mann") brought the instant action in this Court under the
18 Anticybersquatting Consumer Protection Act ("ACPA") to challenge a decision rendered by the
19 National Arbitration Forum ("NAF") in an administrative proceeding. In its decision, NAF
20 ordered Mann to transfer the domain name <LABORFORCE.COM> ("Domain Name") to
21 Defendant AFN Investments, LTD. ("AFN"). Presently before the Court is AFN's Motion to
22 Dismiss for Lack of Subject Matter Jurisdiction. For the reasons that follow, AFN's Motion is
23 **DENIED.**

24 **I.**
25 **FACTS¹**

26 Mann filed his Complaint on January 11, 2007, seeking declaratory relief concerning the
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28 ¹ The facts are taken from the Complaint and other supporting documents filed with this Court. Only relevant facts are stated.

1 Domain Name that has been ordered to be transferred to AFN by the National Arbitration Forum
 2 pursuant to the Uniform Domain Name Dispute Resolution Policy (“UDRP”)². Mann alleges that
 3 declaratory relief is proper under ACPA, 15 U.S.C. § 1114(2)(D)(v), which allows a domain name
 4 registrant whose domain name has been suspended, disabled, or transferred to file a civil action to
 5 establish that the registration or use of the domain name by such registrant is not unlawful. In
 6 support of his claim, Mann filed a “Declaration of Matthew Veling Regarding Deposit of Domain
 7 Name into the Registry of the Court” (“Declaration”) on January 23, 2007. According to the
 8 Declaration, the Domain Name was deposited into the registry of the Court on January 18, 2007,
 9 by the registrar of the Domain Name.

10 II.

11 DISCUSSION

12 AFN seeks to dismiss the case for lack of subject matter jurisdiction on the ground that the
 13 Domain Name was not transferred into the registry of the Court until seven days after the
 14 Complaint was filed. As such, AFN argues, Mann failed to establish standing to assert its claim at
 15 the time of its filing under 15 U.S.C. § 1114(2)(D)(v), which requires the domain name in question
 16 to have been suspended, disabled, or transferred. As discussed below, the Court finds AFN’s
 17 reasoning unpersuasive.

18 Federal courts are courts of limited jurisdiction and only have subject matter jurisdiction
 19 over cases arising under the Constitution, laws, or treaties of the United States or cases where
 20 there is diversity of citizenship between the parties. 28 U.S.C. § 1331 (federal question
 21 jurisdiction);
 22 28 U.S.C. § 1332 (diversity jurisdiction); *see also Kokkonen v. Guardian Life Ins. Co. of America*,
 23 511 U.S. 375, 377 (1994). To determine whether a case arises under federal law and therefore
 24 confers federal-question jurisdiction on federal courts, a court will apply the “well-pleaded
 25 complaint rule” and examine plaintiff’s properly pleaded complaint. *Caterpillar Inc. v. Williams*,

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 27 ² UDRP is a policy that has been adopted by all accredited domain-name registrars for domain names ending in
 28 .com, .net, and .org. It is incorporated by reference into the Registration Agreement and sets forth terms and conditions
 in connection with a dispute over any registered domain names, including a mandatory administrative proceeding. Uniform
 Domain Name Dispute Resolution Policy, <http://www.icann.org/udrp/udrp-policy-24oct99.htm>.

1 482 U.S. 386, 392 (1987). Here, Mann's sole claim is alleged under federal law,
 2 15 U.S.C. § 1114(2)(D)(v). As such, his cause of action arises under federal law for purpose of
 3 federal-question jurisdiction under 28 U.S.C. § 1331. *See Sallen v. Corinthians Licenciamentos*
 4 *LTDA*, 273 F.3d 14, 23 (1st Cir. 2001) (finding that 15 U.S.C. § 1114(2)(D)(v) explicitly provides
 5 a cause of action and that there is no question that an action arising under § 1114(2)(D)(v) arises
 6 under federal law for purposes of § 1331).

7 In fact, AFN does not dispute that Mann's claim arises under federal law. Instead, AFN
 8 argues that Mann lacked standing under § 1114(2)(D)(v) at the time Mann filed his Complaint
 9 because the Domain Name was not transferred to the Court until seven days after the filing of the
 10 Complaint. Under § 1114(2)(D)(v), "[a] domain name registrant whose domain name has been
 11 suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice
 12 to the mark owner, file a civil action to establish that the registration or use of the domain name by
 13 such registrant is not unlawful under this Act." UDRP is one such policy that has been recognized
 14 to give rise to a § 1114(2)(D)(v) claim. *See Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de*
 15 *Barcelona*, 330 F.3d 617, 625 (4th Cir. 2003). Under UDRP paragraph 4(k), a domain name
 16 registrar will implement the decision of an administrative panel unless the registrant provides the
 17 registrar with official documentation of a complaint filed at a court with appropriate jurisdiction
 18 within ten business days of the decision. Uniform Domain Name Dispute Resolution Policy,
 19 <http://www.icann.org/udrp/udrp-policy-24oct99.htm>. If such notice is received, the registrar will
 20 take no further action until a new resolution has been reached. *Id.* AFN contends that the plain
 21 language of § 1114(2)(D)(v) requires the domain name at issue to have been suspended, disabled,
 22 or transferred in order to have standing to assert a cause of action. Mann, on the other hand, asks
 23 the Court to interpret the § 1114(2)(D)(v) to cover situations where the domain name has been
 24 ordered to be transferred but the actual transfer has not occurred because of the automatic stay
 25 prescribed by UDRP paragraph 4(k).

26 As the Ninth Circuit has not dealt with this issue, the Court looks to other Circuits that
 27 have had the opportunity to address it. In *Sallen*, the First Circuit recognized that the domain
 28 name was not yet transferred at the time the complaint was filed but nevertheless held that §
 1114(2)(D)(v) covers situations where a transfer is inevitable unless a court action is filed. 273

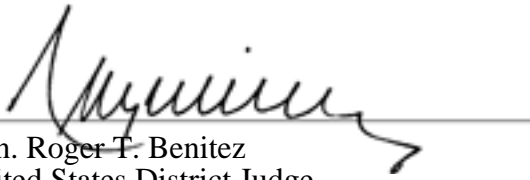
1 F.3d at 25 n.11. Subsequently, the Second and Fourth Circuit joined the First Circuit in holding
 2 that a registrant may bring an action under § 1114(2)(D)(v) so long as the domain name has been
 3 ordered to be transferred or deactivated pursuant to UDRP even if the actual transfer or
 4 deactivation has not occurred. *See Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 383 n.11 (2nd
 5 Cir. 2003) (agreeing with the First and Fourth Circuit that “§ 1114(2)(D)(v) encompasses
 6 situations in which a UDRP panel has ruled against a domain name and has ordered transfer or
 7 deactivation, but in which the order has not yet been implemented because of the Paragraph 4(k)
 8 waiting period”); *Barcelona.com*, 330 F.3d at 627 (recognizing that a suit for declaratory judgment
 9 and injunctive relief under § 1114(2)(D)(v) “appears to be precisely the mechanism designed by
 10 Congress to empower a party whose domain name is subject to a transfer order . . . to prevent the
 11 order from being implemented”). The Court finds the other Circuits’ reasoning persuasive and
 12 notes such ruling is in the interest of preserving scarce judicial resources. AFN agrees that if the
 13 transfer of the Domain Name into the registry of the Court was done contemporaneously with the
 14 filing of Mann’s Complaint, the standing requirement of § 1114(2)(D)(v) would have been
 15 satisfied. AFN asks this Court to dismiss Mann’s Complaint without prejudice so that Mann can
 16 do just that. However, AFN’s request will simply bring us back to where we are right now.
 17 Following the decisions of the First, Second, and Fourth Circuits, this Court declines to exalt form
 18 over substance and finds the UDRP decision triggers the right to sue.

19 III.

20 CONCLUSION

21 For the reasons set forth above, Defendant AFN’s Motion to Dismiss for Lack of Subject
 22 Matter Jurisdiction is **DENIED**.

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 24 DATED: July 27, 2007

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 27 Hon. Roger T. Benitez
 28 United States District Judge